

The following U.S. Obligations are exempt from Michigan Individual Income Tax:

U.S. Government Bonds
U.S. Government Certificates

U.S. Savings Bonds – Series E, F, G and H
U.S. Treasury Bills and Notes

Obligations issued by the following U.S. Agencies are exempt:

Banks for Cooperatives
Central Banks for Cooperatives
Commodity Credit Corp.
Consolidated Bonds
Consolidated Discount Notes
Consolidated System Bond, Series L
Consolidated Systemwide
Discount Notes
District of Columbia
Farm Credit Banks
Farmers Home Corp.
Federal Deposit Insurance Corp.
Federal Farm Credit Bank
Federal Farm Loan Corp.
Federal Farm Mortgage Corp.
Federal Financing Banks
Federal Home Loan Banks
Federal Housing Administration
(General Insurance Fund Debentures)

Federal Intermediate Credit Banks
Federal Intermediate Credit Corp.
Federal Land Banks
Federal Land Banks Association
Federal Savings and Loan Insurance
Corporation
Home Owner's Loan Corp.
Joint Stock Land Banks
Maritime Administration
Production Credit Association
Small Business Administration
Student Loan Marketing Association
Tennessee Valley Authority (bonds only)
U.S. Housing Authority
U.S. Maritime Commission
U.S. Possessions (obligations Puerto Rico,
Virgin Islands, etc.)
U.S. Postal Service (bonds)

The following debentures issued under the General Insurance Fund are exempt:

Interest from debentures issued under War Housing Insurance Law
Interest from debentures to acquire rental housing projects
Interest from Armed Service Housing Mortgage Debentures

The following General Services Administration Public Building Trust Participation Certificates are exempt:

1st series A through E

2nd series F

3rd series G

4th series H and I

The Guam Obligations issued by Government of Guam are exempt.

Notes: Income from **exempt** U.S. Obligations received by the taxpayer through Money Market Funds, Money Market Certificates, Mutual Funds, Trusts, etc., generally qualifies for a subtraction.

Treasury Bill Futures are **not** U.S. obligations.

The following U.S. Obligations are taxable:

Government National Mortgage Association (debentures, notes and participation certificates)

Federal National Mortgage Association participation and other instruments

Federal Home Loan Mortgage Corporation, mortgages and other securities

Federal Housing Administration (debentures, notes and participation certificates)

U.S. Department of Agriculture Farmers Home Administration Insured Notes

Export-Import Bank of Washington, D.C.

International Bank of Reconstruction and Development (World Bank)

Participation Certificates issued by the Federal National Mortgage Association

Building and Loan Associations

Credit Union Share Accounts

District of Columbia Armory Board

Federal Savings and Loan Associations

Panama Canal Bonds

Philippine Bonds

U.S. Government Insured Merchant Marine Bonds

Other examples of taxable interest from federal obligations:

Refunds of federal income tax

Interest-bearing certificates issued in lieu of tax-exempt securities, such income losing its identity when merged with other funds

Debentures issued to mortgages or mortgages foreclosed under the provisions of the National Housing Act

Promissory notes of the federal instrumentality

Federal Home Loan Time deposits

FSLIC secondary reserve prepayments

Government National Mortgage Association participation certificates and on Federal Home Loan Mortgage Corporation participation certificates in mortgage pools

U.S. Postal Service Certificates and savings deposits

Participating loans in the Federal Reserve System for member banks (Federal Funds)

Farmer's Home Administration

End